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14 May 1956

MEMORANDUM FOR THE RECORD

SUBJECT : Situations involving Patents faced by TSS where the Help of the Office of General Counsel may be Required

1. In the course of conducting its research and development program, experience has indicated to TSS that a number of situations will arise where the help of the Office of General Counsel may well be required. Since the bulk of the R&D program is conducted by means of contracts executed with private companies, it is expected that questions will arise concerning patents clauses incorporated in such contracts and the obligations of manufacturers under such clauses. In these cases TSS expects that the Office of Logistics in negotiating the contracts will make appropriate use of the services of the OGC.

2. In most instances under such contracts should there be inventions for which patent applications are in order, TSS expects that the contractor will file the necessary applications as called for under the contract. In a few cases, it is possible that an invention may result which will be of interest to the Agency, but of little interest to the contractor. In such cases capabilities should exist within the Agency for handling the necessary patent applications. This matter has been discussed between TSS and OGC, and it is understood that the necessary arrangements can be made.

3. In a small percentage of the cases where the patent application is filed by the contractor, it will be to the best interests of the Agency to arrange for a secrecy order to be applied to the invention. This matter has been discussed by TSS with OGC, and it is felt that it would be to the Agency's best interests if the necessary administrative steps can be taken so that the Agency can negotiate such matters with the Patent Office rather than having a branch of the Department of Defense do so on its behalf. It is, of course, impossible to predict how many such instances will occur. One has already occurred, and it would not be improbable to expect that a minimum of three or a maximum of ten instances of this sort will come up each year.

4. It is likely that from time to time a private individual or commercial company will apply for a patent which by its nature should be

SECRET

SECRET

kept secret in whole or in part insofar as the Agency is concerned. It is felt that it would be to the Agency's interests to be able to negotiate such matters directly with the Patent Office rather than through the Department of Defense. It is, of course, impossible to predict how many such instances might occur in a given year. It should be noted, however, that in the course of its R&D program, TSS has already uncovered a number of instances where, had we been able to do so, a secrecy order should have been applied to the invention.

5. The assistance of the Office of General Counsel will also be requested from time to time when an individual employed by TSS makes a patentable invention. Procedures within the Agency have been established whereby the question of retention of rights to the invention by the Government and the inventor can be resolved. TSS feels that the Agency should be in a position to apply for a patent when it has been resolved that it is to its interest to do so. One case of this sort is presently under discussion, and it is expected that from three to ten similar cases per year may well come up. The Office of General Counsel has also been of considerable assistance to TSS in resolving patent matters arising from certain R&D programs conducted abroad in which TSS is interested. Such cases must be settled on individual merits, and it is impossible to predict either their frequency or complexity.

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AT Cc - OGC [REDACTED]

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